

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NORTH CAROLINA
RALEIGH DIVISION

FILED

DEC 10 1998

IN THE MATTER OF)
-OF-)
INTERNATIONAL HERITAGE, INC.)
(TAX ID #56-1921093),)
Debtor)
_____)

CASE NO. 98-02675

CHAPTER 7

PEGGY B. DEANS, CLERK
BANKRUPTCY COURT
EASTERN DISTRICT OF N.C.

**EX PARTE APPLICATION FOR ORDER EXTENDING TIME
TO FILE STATEMENT OF FINANCIAL AFFAIRS AND SCHEDULES**

NOW COMES International Heritage, Inc., (the "Debtor"), by and through counsel of record, and applies to the Court for an Order extending time to file the Statement of Financial Affairs and Schedules in this case. In support of this application, the Debtor shows as follows:

1. On November 25, 1998 (the "Petition Date") the Debtor filed a Petition (the "Petition") for reorganization under chapter 7 of the Bankruptcy Code.

2. The Statement of Financial Affairs and Schedules of Assets and Liabilities are due to be filed, as required by Bankruptcy Rule 1007, on December 10, 1998.

3. The Debtor had thirty people who handled accounting and information systems processing while its operated. However, most of these people were terminated by early November. Only a few individuals were available to begin the Statement of Financial Affairs and Schedules prior to filing of the chapter 7 case. However, after the case was filed, the few employees left ceased significant work efforts pending their employment by the Trustee. This difficulty impeded progress. Ms. Anna Washburn, the

individual leading the efforts to prepare the documents, has been paid by Mr. Stan Van Etten, and she has worked continuously to get the Statement of Financial Affairs and Schedules completed.

3. Another impediment to the completion of the Schedules and Statement of Financial Affairs is the sheer volume of information. The Debtor was a \$50,000,000 company before its decline and has approximately 200,000 unsecured creditors which must be sorted and listed. Compiling this list has been a particularly difficult task in itself. The Debtor has experienced problems in manipulating its data to obtain the information required in the Statement of Financial Affairs and Schedules.

4. The complexity of the Debtor's financial situation has also been an obstacle in completing the Schedules and Statement of Financial Affairs. There are more than twenty pending lawsuits and more than thirty contracts which have been reviewed. In order to prepare the historical information needed in the Statement of Financial Affairs, the Debtor has had to do much research and compilation of information.

5. Counsel and the Debtor will need adequate time to review the Statement of Financial Affairs and Schedules before they are filed. Counsel anticipates completing the Schedules and Statement of Financial Affairs by December 16, 1998.

6. The creditors meeting will be held on December 30, 1998. Filing of the Statement of Financial Affairs and Schedules by December 16, 1998 will afford the Trustee and creditors ample opportunity to review the documents prior to the meeting.

WHEREFORE, the Debtor respectfully requests the entry of an

Order extending the time within which to prepare and submit the Statement of Financial Affairs and Schedules to and including the 16th day of December, 1998.

This the 10th day of December, 1998.

SMITH DEBNAM NARRON & MYERS, L.L.P.

By: Terri L. Gardner
Terri L. Gardner
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Attorneys for International
Heritage, Inc.

CERTIFICATE OF SERVICE

The undersigned hereby certifies under penalty of perjury that (s)he is over eighteen (18) years of age, and the

**EX PARTE APPLICATION FOR ORDER EXTENDING TIME TO FILE STATEMENT
OF FINANCIAL AFFAIRS AND SCHEDULES**

was this day served upon the below named persons, parties and/or counsel by mailing, postage prepaid, first class mail; a copy of such instruments to such persons, parties and/or counsel at the address shown below:


Marjorie K. Lynch
Bankruptcy Administrator
Room 412, Century Station
300 Fayetteville Street Mall
Raleigh, North Carolina 27602

Homes P. Harden, Trustee
P.O. Drawer 19764
Raleigh, NC 27619-9764

Brent E. Wood, Esquire
Two Hanover Square
434 Fayetteville Street Mall
Suite 2300
Raleigh, NC 27601

Stan Van Etten
2626 Glenwood Avenue
Suite 100
Raleigh, NC 27608

This the 10th day of December, 1998.


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